

Local Education Agency  
Ad Hoc Workgroup Meeting  
**April 2, 2008 Meeting Summary**

**Location:** Sacramento City Unified School District

**ATTENDEES:**

Name	Organization/Title
1. Liz Touhey	DHCS, Safety Net Financing Division
2. Laura Baynham	Mendocino County Office of Education (COE)
3. Sherry Purcell	Los Angeles Unified School District (USD)
4. Cathy Bennett	Sacramento City USD
5. Margie Bobe (by phone)	Los Angeles USD
6. Anyisia Drumheller	Butte COE
7. Sue Hamblin	Stanislaus COE
8. Greg Englar	Sonoma COE
9. Cathy Bray	Los Angeles COE
10. Linda Davis-Aldritt	California Department of Education (CDE)
11. Sheri Coburn	San Joaquin COE
12. Marlene Burrue	San Joaquin COE
13. Kevin Harris	Navigant Consulting, Inc.
14. Gloria Eng	Navigant Consulting, Inc.
15. Kate Drummond	Navigant Consulting, Inc.
16. Julia Hanke	Navigant Consulting, Inc.

**Handouts**

Each participant received a folder with copies of the following: Agenda, updated Paid Claims Issues Matrix, updated Paid Claims Issues Matrix Summary from the LEA Program website, Estimated Erroneous Payment Correction (EPC) Implementation Timeline, LEA Project Status Reports (November 2007 through February 2008), and Navigant Consulting's PowerPoint presentation. In addition, meeting participants received a copy of the letter sent to DHCS regarding interest charged on outstanding payments and the LEA Workgroup Issue Track.

**Purpose**

The meeting was convened by the DHCS in partnership with LAUSD. The purpose of the Workgroup is to improve the Local Educational Agency (LEA) Program. The emphasis of the meeting is to strategize various goals and activities aimed at enhancing the Medi-Cal services provided on school sites and access by students to these services, while increasing federal reimbursement to LEAs for the cost of providing these services.

**Letter to DHCS Regarding Seven Percent Interest Charge**

On behalf of the LEA Workgroup, Laura Baynham, Cathy Bennett, and Sherry Purcell sent a letter to DHCS regarding the exemption for LEAs from the seven percent interest

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rate penalties on outstanding overpayments as a result of claims processing issues. DHCS's Office of Legal Services is currently reviewing the Welfare and Institutions Code to determine if the regulations apply to LEAs. The Workgroup expressed concern with the impact of monthly interest charged on outstanding overpayments and the lack of information provided to LEAs who are accruing interest.

**LEA Program Website**

The LEA Program website transitioned to DHCS's new format in February 2008 (<http://www.dhcs.ca.gov/provgovpart/Pages/LEA.aspx>). Workgroup members suggested improving navigation to the new LEA Program website from the DHCS main web page.

**Action:**

What: Review the DHCS main web page to determine if there is an intuitive way to navigate to the LEA Program website and determine if additional links or tabs can be added.

Who: Navigant Consulting, Inc.

When: Not specified

**Final Regulations on MAA and Transportation, CMS-2287-F**

CMS issued final rule 2287 (CMS-2287-F) eliminating Medicaid Administrative Claiming and Medicaid claiming for transportation of school-aged children between home and school. Implementation of LEA Medi-Cal Billing Option changes related to transportation will be effective as of July 1, 2008 (date without the 60-day moratorium).

**Action:**

What: Disseminate relevant MAA and transportation policy information and determine appropriate communication vehicles.

Who: DHCS

When: Not specified

**Interim Final Rule on Targeted Case Management (TCM), CMS-2237-IFC**

CMS published an interim final regulation (CMS-2237-IFC) clarifying Medicaid reimbursable targeted case management services. The impact of the CMS interim regulations on the LEA program is yet to be determined. DHCS is currently in discussions with CMS regarding the regulations, intent and impact on California health care programs.

**New Services – Durable Medical Equipment (DME)**

Navigant Consulting, Inc. has met with the Assistive Technology team at LAUSD, the Medi-Cal Provider Enrollment Division and CDE Low Incidence Program. In addition,

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an interview with personnel from California Children's Services is scheduled for early April. Potential barriers to adding DME were discussed, including issues regarding ownership, repair/replacement and liability of the equipment; prior authorization; scope of reimbursable equipment; and requirements to become a DME provider.

**Action:**

What: Attend meeting with California Children's Services.

Who: Navigant Consulting, Inc.

When: Early April

**Action:**

What: Review Sonoma COE's website for DME information.

Who: Navigant Consulting, Inc.

When: Not specified

**Action:**

What: Determine how San Joaquin COE handles trial periods for equipment prior to purchasing DME.

Who: Sheri Coburn

When: Not specified

**Claims Processing Issues**

DHCS and Navigant Consulting, Inc. provided current status updates on the outstanding claims processing issues. Bi-weekly meetings between DHCS, Navigant Consulting, Inc. and EDS will continue to occur until the claims processing issues are resolved. EDS implemented an EPC adjustment on February 29, 2008. This EPC reprocessed local code claims billed on June 30, 2006. Adjustments appear on RADs beginning March 13, 2008 with CCN prefix 806055.

After reviewing the Estimated EPC Implementation Timeline and discussing EPC prioritization, the Workgroup consensus was to move forward with the EPC implementation as issues are resolved to help offset outstanding debts from previous EPCs. Workgroup members questioned if claims that were previously denied due to claims processing issues could be resubmitted after system implementation fixes, but prior to the EPC implementation. Claims would have to be less than one year from the date of service in order to be resubmitted. DHCS and Navigant Consulting, Inc. will verify with the DHCS Fiscal Intermediary and Contracts Oversight Division (FI-COD) and Electronic Data Systems (EDS).

In addition, DHCS and Navigant Consulting, Inc. provided examples of the 3.5 percent withhold process on EPC adjustments. For overpayments, the account receivable is 100 percent of the claims reimbursement amount. 100 percent of future LEA claims reimbursement will be withheld until the LEA's account receivable is clear. The 3.5 percent withhold will not be applied until the account receivable has been cleared and

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will be applied at the time of a positive claims payout to the LEA. For underpayments, the 3.5 percent will be applied at the time of the check write.

**Action:**

What: Determine if LEA providers can resubmit denied claims after system implementation fixes for claims less than one year from the date of service before the EPC implementation.

Who: DHCS and Navigant Consulting, Inc.

When: ASAP

**Action:**

What: Discuss the potential impact of the Other Health Care and Managed Care denials EPC on non-Managed Care counties with FI-COD and EDS.

Who: DHCS and Navigant Consulting, Inc.

When: ASAP

**Action:**

What: Establish appropriate EPC criteria for treatment service claims denied as duplicates.

Who: DHCS and Navigant Consulting, Inc.

When: ASAP

**Inflation of Current Rates**

DHCS must inflate the interim reimbursement rates, to be in compliance with State Plan Amendment (SPA) 03-024. However, DHCS needs to determine whether it will be necessary to inflate rates for every year since the SPA effective date. According to EDS, implementing updated reimbursement rates would only require a table update.

**Action:**

What: Discuss with CMS if retroactive inflation is required for each year since the SPA effective date.

Who: DHCS

When: ASAP

**LEA Workgroup Issue Track:**

**Reporting of SB 231 Withholds (Issue Track #3, 3a & 3b)**

The Workgroup requested written documentation of the 2.5 percent withhold amounts for Fiscal Year (FY) 2005-06 and FY 2006-07 from DHCS, and notification when the FY 2007-08 withhold cap of \$1.5 million has been met. DHCS is currently preparing the necessary policy letter to stop the withhold for FY 2007-08 when the \$1.5 million has been reached or at the end of the fiscal year and restart the 2.5 percent withhold for FY 2008-09.

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**Action:**

What: Provide documentation of 2.5 percent withhold amounts for FY 2005-06 and 2006-07 and determine a process for LEAs to recoup any excess withhold.

Who: DHCS

When: Not Specified

**Action:**

What: Provide Workgroup with notification of when the \$1.5 million cap has been met for FY 2007-08.

Who: DHCS

When: ASAP

**Action:**

What: Provide policy letter and implement system updates to stop FY 2006-07 and start FY 2008-09 2.5 percent withhold.

Who: DHCS

When: ASAP

DHCS SB 231 Annual Legislative Report (Issue Track #4)

DHCS gave an update on the status of the SB 231 Legislative reports. As part of SB 231, DHCS is required to write an annual report to the legislature. The 2006-07 report (April 2006 – March 2007) is currently with the Governor. The Workgroup will be notified when the report is released and published. A copy will be posted on the LEA Program website. The 2007-08 report (April 2007 – March 2008) is currently in Safety Net Financing Division for review.

LEA Membership (Issue Track #9)

DHCS maintains a roster of LEA Workgroup members. Workgroup co-chairs suggested creating a master roster with names and e-mail addresses. Laura Baynham has offered to compile this roster.

**Action:**

What: Send copies of previous LEA Workgroup meeting sign-in sheets to Laura Baynham for roster compilation.

Who: Navigant Consulting, Inc.

When: ASAP

**Action:**

What: Compile an updated LEA Workgroup roster with e-mail addresses.

Who: Laura Baynham

When: Not specified

Review of LEA Annual Report (Issue Track #12)

A sub-committee of Workgroup members including Anyisia Drumheller, Laura Baynham, Sherry Purcell and Sue Bier, was formed to review the LEA Annual Report to eliminate

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overlap of information required in the Cost and Reimbursement Comparison Schedule (CRCS). Sue Bier is currently reviewing the Annual Report forms. The Annual Report Sub-Committee will continue their review and recommend revisions to DHCS.

**Action:**

What: Complete review and recommended edits for LEA Annual Report form.

Who: Annual Report Sub-Committee

When: Not specified

Targeted Case Management (TCM) Labor Survey (Issue Track #13)

DHCS has updated the TCM Labor Survey to include the current address and instructions for submission. The survey is available on the LEA Program website.

Provider Participation Agreement (Issue Track #14)

The Provider Participation Agreement has been updated for FY 2007-08. CDE has verified that Shirley Day is still the current contact person at CDE to send completed forms. The updated form has been posted on the LEA Program website.

LEA Training (Issue Track #16)

Workgroup members discussed fall 2008 training for LEA providers and billing vendors. Preferred training methods and potential training formats were suggested. The Workgroup also noted that the 2009 California School Nurses Organization annual conference would be an advantageous forum for presenting LEA Program information. Requests for presenters are due in May.

**Action:**

What: Research the feasibility of alternative training formats and forums for training LEA providers and vendors.

Who: DHCS and Navigant Consulting, Inc.

When: Prior to next meeting

LEA Website FAQs (Issue Track #17)

The LEA Program website FAQs have been updated per the Workgroup's request to clarify LEA policy and add questions and answers that have been received via e-mail from LEA providers. The FAQs are currently pending DHCS review.

**Action:**

What: Review and approve updated LEA FAQs and post on LEA Program website.

Who: DHCS

When: ASAP

CP-O-887/888 Report (Issue Track #18)

The Workgroup discussed the necessity of the CP-O-887/888 report generated by EDS monthly. Currently the report is not recognizing multiple modifiers that differentiate service types and therefore is not useful for LEAs to reconcile claims. The Workgroup

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members requested that the report show all procedure code/modifier combinations and potentially be used for the CRCS paid claims data information. DHCS is unaware of the system changes to update the report, but will follow up with FI-COD and EDS to determine the requirements and potential timeline for modifying the CP-O-887/888 report.

**Action:**

What: Discuss with FI-COD and EDS the requirements to modify the CP-O-887/888 report.

Who: DHCS and Navigant Consulting, Inc.

When: ASAP

Provider Qualifications for Contracted Registered Nurses (RN) (Issue Track #19)

The Workgroup identified potential conflicts between the LEA Provider Manual and Education Code regarding the provider qualifications for an RN contracted through a non-public school or agency. In addition, the requirement for RNs supervising licensed vocational nurses or trained health care aids in a non-public school or agency needs to be researched.

**Action:**

What: Research licensing and credentialing requirements for non-public school and non-public agency nurses.

Who: Navigant Consulting, Inc.

When: Prior to next meeting

**Future Workgroup Meeting**

The next workgroup meeting for DHCS and providers will be held in Orange County on Wednesday, June 4<sup>th</sup>.